

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
15375 MEMORIAL CORPORATION, <i>et al.</i> ,) Bankr. Case. No. 06-10859 (KG)
Debtors.) (Jointly Administered)
<hr/>	
BEPCO L.P., f/k/a)
Bass Enterprises Production Company,)
Appellant,) Civil Action No. 08-313 (SLR)
v.) (Consolidation of civil actions 08-313,
15375 MEMORIAL CORPORATION, <i>et al.</i> ,) 314, 318, 319, 321, 322, 325 and 326)
Appellees and Cross-Appellants.)

NOTICE OF FILING OF EXHIBIT “A” TO RESPONSE OF GLOBALSANTAFE ENTITIES IN OPPOSITION TO BEPCO, L.P., F/K/A BASS ENTERPRISES PRODUCTION COMPANY’S EMERGENCY REQUEST FOR CERTIFICATION FOR DIRECT APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT PURSUANT TO 28 U.S.C. § 158(d)(2)

Please take notice that GlobalSantaFe Corporation, GlobalSantaFe Corporate Services, Inc., and Entities Holdings, Inc. (collectively “GlobalSantaFe Entities”), by and through their undersigned counsel, is filing the attached Exhibit “A” – Transcript of April 18, 2008 Hearing in front of The Honorable Kevin Gross - to the Response in Opposition to BEPCO, L.P., f/k/a Bass Enterprises Production Company’s Emergency Request for Certification for Direct Appeal to the United States

Court of Appeals for the Third Circuit Pursuant to 28 U.S.C. § 158(d)(2) [Docket Item No. 10, Filed June 13, 2008].

Dated: June 13, 2008

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:) Case No. 06-10859(KG)
) (Jointly Administered)
) Chapter 11
15375 MEMORIAL CORPORATION,)
et al.,)
)
Debtors.)
)
SANTA FE MINERALS, INC.,) Adversary No. 06-50822(KG)
)
Plaintiff,)
)
versus)
)
BEPCO, L.P., formerly known as)
BASS ENTERPRISES PRODUCTIONS) Courtroom No. 3
COMPANY,) J. Caleb Boggs Federal
) 844 N. King Street
Defendant.) Wilmington, Delaware 19801
)
GLOBALSANTAFE CORPORATION,)
GLOBALSANTAFE CORPORATE)
SERVICES, INC., and ENTITIES)
HOLDINGS, INC.,)
)
Intervenors.) April 18, 2008
) 10:05 A.M.

TRANSCRIPT OF STATUS CONFERENCE
BEFORE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

ECRO: Leslie Murin

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1 THE COURT: Good morning, Counsel, please be seated.

2 MULTIPLE SPEAKERS: Good morning, Your Honor.

3 THE COURT: And good morning to Mr. Eisenberg and Ms.
4 Moses on the telephone.

5 MR. EISENBERG: Good morning, Your Honor.

6 MS. MOSES: Good morning,.

7 MR. EISENBERG: I've got Mark Chevez with me, as
8 well.

9 THE COURT: Oh, I'm sorry. Thank you.

10 MS. MOSES: And, Your Honor, Hampton Carver is with
11 me, as well.

12 THE COURT: Thank you. Good morning, Mr. Carver,
13 then. Mr. Demmy?

14 MR. CARVER: Good morning, Your Honor.

15 THE COURT: Mr. Demmy?

16 MR. DEMMY: Good morning, Your Honor. John Demmy of
17 Stevens and Lee for the debtors.

18 Your Honor, this is the time for a status and
19 scheduling conference, I suppose, in connection with certain
20 matters in the Santa Fe Minerals case. Obviously the Court
21 issued an opinion and order Wednesday, late afternoon or early
22 evening, I'm not sure, but we've had a day or so to look at it.

23 In terms of status and scheduling, I don't have a lot
24 to report to the Court that we haven't already said.

25 THE COURT: Right.

1 MR. DEMMY: A couple of things I will note, though.
2 We haven't had a chance to speak to -- at least I haven't had a
3 chance to speak to counsel for BEPCO about scheduling. And the
4 Court has directed us to --

5 THE COURT: And I didn't --

6 MR. DEMMY: -- think about scheduling.

7 THE COURT: -- expect it by now, sure.

8 MR. DEMMY: Mainly I was busy on some other things
9 yesterday and I apologize, I just could not reach out to Mr.
10 Werkheiser.

11 THE COURT: No apology necessary.

12 MR. DEMMY: But we, of course, would -- would intend
13 to do that and comply with the Court's direction. I have one
14 question, though, about that direction. The Court's order
15 says, "The Court directs the parties to submit a stipulation
16 and order scheduling the completion of briefing on the GSF
17 entities' motion for summary judgment in the declaratory
18 judgment adversary proceeding. And I'm not sure we're talking
19 about the same things, I wanted to discuss with the Court what
20 the Court has in mind because there isn't a motion for summary
21 judgment pending in the declaratory judgment proceeding that
22 I'm aware of.

23 There is the debtors' motion for summary judgment
24 with respect to the BEPCO claim that's pending, not in that
25 adversary proceeding.

1 THE COURT: Okay. Okay.

2 MR. DEMMY: So, I'm -- I'm a big confused. I don't
3 know if other parties are, as well, but I'm --

4 THE COURT: That's the --

5 MR. DEMMY: I'm not sure what the Court is asking us
6 to do there.

7 THE COURT: That's the motion I was looking to have
8 addressed.

9 MR. DEMMY: The claim motion, Your Honor?

10 THE COURT: Well --

11 MR. DEMMY: I'm -- I just --

12 THE COURT: There's a summary judgment motion
13 pending, as I recall, on the alter ego issue.

14 MR. DEMMY: I --

15 THE COURT: Is that right?

16 MR. WERKHEISER: Your Honor, I think --

17 THE COURT: Mr. Werkheiser?

18 MR. WERKHEISER: Yes. I'm sorry, for the record,
19 Gregory Werkheiser for BEPCO.

20 Your Honor, I think the motion that you might have
21 been referring to was a motion that was filed by the
22 GlobalSantaFe entities back on December 29th of 2006, which I
23 think I styled as a motion to dismiss --

24 THE COURT: To dismiss?

25 MR. WERKHEISER: -- our request from relief from stay

1 as to the alter ego claims, and I --

2 THE COURT: Okay. Okay.

3 MR. WERKHEISER: And I -- and I think as to which the
4 principle argument was over ownership and standing to assert
5 the alter ego claims.

6 THE COURT: Understood. My mistake.

7 MR. WERKHEISER: And I thought perhaps that's what
8 Your Honor was getting to --

9 THE COURT: Yes.

10 MR. WERKHEISER: -- with that reference in the order.

11 THE COURT: Okay.

12 MR. DEMMY: Well, and -- and I was going to raise --
13 that was the only pending motion -- technically pending motion
14 that related to alter ego claim, Your Honor, but I'm not sure
15 that that motion is technically pending in a sense that it
16 requires decision. It's the GlobalSantaFe entities' motion
17 filed in that adversary proceeding, but in light of the Court's
18 rulings in connection with BEPCO's relief from stay motion with
19 regard to both insurance and our alter ego issues, I'm not sure
20 where that motion stands and whether it needs to be briefed at
21 this point.

22 THE COURT: Well, we --

23 MR. DEMMY: But I don't want to speak for any other
24 party.

25 THE COURT: Okay. All right.

1 MR. DEMMY: It was -- it was the debtor's view that
2 perhaps the Court, because of the reference to the motion for
3 summary judgment, was dealing -- was referring to the debtors'
4 motion for summary judgment with regard to the Bass claims, and
5 that's -- that's the reason why I had that confusion.

6 THE COURT: Okay. And I've kind of confused the two
7 and sort of combined them in my own mind as to what was pending
8 because we have not really resolved the alter ego issue at this
9 point.

10 MR. DEMMY: That's my understanding, as well, Your
11 Honor.

12 THE COURT: And that is what, in my mind, we now
13 should move on to address.

14 MR. DEMMY: And I think --

15 THE COURT: But I want to hear from Mr. Werkheiser,
16 too, of course.

17 MR. DEMMY: Sure. And in that regard, Your Honor, I
18 don't -- I don't think that -- that -- and I'll defer to Mr.
19 Eisenberg, it's his motion, we joined it, so that the Court
20 understands the procedural posture. But it is his motion, but
21 I'm not sure we need to submit a scheduling order with regard
22 to briefing on that motion at this point.

23 Perhaps what we need to do is talk about scheduling
24 generally in the adversary proceeding.

25 THE COURT: Okay.

1 MR. DEMMY: But on that point, I'll defer to other
2 counsel.

3 THE COURT: Why don't I hear from Mr. Werkheiser on
4 that point while we're with it?

5 MR. WERKHEISER: Well, Your Honor, I was actually
6 going to rise to suggest that maybe we ought to spend a few
7 minutes on the reconsideration decision first and then we could
8 move on to some of the more discrete issues as to the case
9 going forward. If I may, and --

10 THE COURT: Yes.

11 MR. WERKHEISER: And I particularly -- and I was
12 hoping for the opportunity at the outset, I did want to address
13 Footnote 4 of the decision, Your Honor, because I was, I have
14 to say personally, distressed that things we may have said in
15 our motion papers might have caused the Court to believe that
16 we were acting to admonish the Court or to threaten the Court
17 in any way, and that was absolutely not our intent in that.
18 And I apologize if the papers were inartfully drafted so that
19 the Court read them that way.

20 Your Honor, and I understand this is, to some degree,
21 water under the bridge. But what we were getting to in that
22 context, Your Honor, was simply the fact that we appreciated
23 the very high burden we had on the motion for reconsideration
24 and that essentially the Court had two steps: One, was I even
25 going to grant reconsideration and consider the request to

1 change the relief; And, two, would I actually grant the
2 request to change the result from the prior decision. And we
3 were simply trying to impress upon the Court that while the
4 Court sees many reconsideration motions, we thought this one
5 was particularly unique, given the circumstances of the case,
6 and given, at that time, the procedural issues that might have
7 been raised by an appeal, which might follow if the decision
8 was left unchanged.

9 So, that's where we're going, Your Honor. I -- you
10 know, I hold the Court and the highest respect in Your Honor
11 and the highest respect, and I just want to be very clear that
12 we did not intend anything different from that.

13 THE COURT: Well, I appreciate that, Mr. Werkheiser.
14 And you know, I think as everyone knows, I have the greatest
15 respect and sensitivity for how difficult it is to be a lawyer
16 and you walk a very fine line between being, you know, a
17 forceful advocate, and still, you know, not crossing the line,
18 and I just thought it got a little close to the line. I don't
19 think it crossed the line, it got close. And -- so, I just
20 wanted to kind of express my own sort of reaction to it, and
21 that's all that was.

22 MR. WERKHEISER: Thank you, Your Honor.

23 THE COURT: And I certainly meant and mean no
24 disrespect to counsel for whom I also hold the highest respect.
25 And I haven't been a Judge that long that I don't remember how

1 difficult it is to be a lawyer and to try and tell the Judge
2 that, you know, you're -- you know, you're dead wrong and you'd
3 better -- you should, or we'd like you to take another look at
4 things. So, I -- but I appreciate that, Mr. Werkheiser.

5 And, you know, I said what I said, and really -- I'm
6 long passed it.

7 MR. WERKHEISER: Thank you, Your Honor.

8 THE COURT: But thank you.

9 MR. WERKHEISER: Your Honor, just on the -- the
10 merits of the reconsideration of the motion, and I -- I raise
11 this just because I think it sort of sets the table for dealing
12 with the alter ego claims and other scheduling issues that we
13 may have today. But --

14 THE COURT: And by the way, I know you haven't had a
15 lot of time to consider what you might want to do and what your
16 options are, and I am not foreclosing your continuing to
17 consider those.

18 MR. WERKHEISER: Thank you, Your Honor. And I think
19 we understand the Court's ruling which is that it is granting
20 relief from stay for BEPCO to go forward with the litigation in
21 Louisiana as to the debtor, Santa Fe Minerals, and its
22 insurers.

23 Your Honor, when we were last here on March 25th, I
24 think there was discussion about -- there was a pending request
25 for a stay at that time, and I believe the Court directed that

1 the stay would remain in effect through one business day after
2 the status conference, which was originally scheduled for
3 yesterday, but we would understand that it would mean that the
4 stay would remain in effect through Monday --

5 THE COURT: Yes.

6 MR. WERKHEISER: -- and thereafter we would be free
7 to proceed in accordance with the Court's order here. But
8 given the procedural complexity in this case, we wanted to make
9 sure that our understanding was correct at this point in light
10 of the ruling.

11 THE COURT: That is correct. I think one of the
12 concerns, as I recall, that the debtors and GSF entities had
13 was whether the case could proceed against Memorial. And if
14 I'm wrong, of course, either Mr. Eisenberg or Mr. Demmy can
15 correct me. And that's why they were looking for stay relief
16 at that point.

17 MR. DEMMY: The concern was twofold, Your Honor. The
18 -- one being what Your Honor's identified about Memorial. The
19 second being that, as I understand the rules, there's an
20 automatic ten-day stay --

21 THE COURT: Yes.

22 MR. DEMMY: -- in connection with a relief from stay
23 order. And, of course, the -- Your Honor's decision originally
24 was entered February 15 of this year and we had a
25 teleconference within the ten-day period, we filed a motion for

1 reconsideration within that ten-day period. It was put on for
2 hearing on March 25th. So, we were outside the ten-day period.

3 THE COURT: Right.

4 MR. DEMMY: That's why we asked for the stay to be
5 extended --

6 THE COURT: Okay.

7 MR. DEMMY: -- when we get to the March 25 hearing
8 and we're going to go forward again to -- at that point, the
9 hearing was scheduled for yesterday, but then, of course, was
10 put over to today. We had a concern that the ten-day automatic
11 stay under the rules would have expired, our motion would not
12 have been ruled upon. That's why we rose and, in essence,
13 orally moved for a continuation of the stay, which I think
14 BEPCO consented to.

15 THE COURT: I think they consented to it, yes.

16 MR. DEMMY: And the Court granted, in connection with
17 the order entered previously. So, those were the two concerns:
18 The expiration of the ten-day stay -- I don't know that I have
19 a view right now as to whether or not the ten-day automatic
20 stay continues from the April 16 order, which finally concludes
21 the stay relief motion. I, frankly, hadn't thought about that
22 too hard in the past day until Mr. Werkheiser rose.

23 THE COURT: Okay.

24 MR. WERKHEISER: Your Honor, again, Gregory
25 Werkheiser for the record.

1 Your Honor, that -- that is probably something we do
2 need to try and sort out for today.

3 THE COURT: I think so, too.

4 MR. WERKHEISER: Because obviously we've waited a
5 long time for the opportunity to go forward and have every
6 intention of trying to move quickly, and we do not want to get
7 sideways with the Court or do anything that wasn't contemplated
8 by the Court's opinion.

9 It's certainly our view, as I expressed, that they've
10 gotten the benefit, in effect, of the ten-day stay, and a stay
11 beyond that by Your Honor's direction and our consent through
12 tomorrow.

13 And we'd respectfully submit that there ought not to
14 be a further stay beyond -- beyond Monday.

15 THE COURT: Does anyone wish to be heard on that
16 point? Mr. Eisenberg, any comment?

17 MR. EISENBERG: Yes, Your Honor. Thank you very
18 much. And, yeah, I'm sitting here with Mr. Chevez, we had a
19 chance actually to talk about that with the moot button on.
20 So, and we believe that now that there is an order that ten
21 days for us to review the opinion and the stay would apply, and
22 that -- that that is the -- where the automatic ten-day period
23 comes in. One of the big issues that we obviously had
24 previously was there was a motion to dismiss, combined with the
25 motion to lift stay. And there was a reconsideration on the

1 motion to dismiss itself, and that's why we had the concerns
2 procedurally we did, and why I believe we took the steps we did
3 amongst the parties and the Court, to make sure because of the
4 pending motion to dismiss and the reconsideration of the motion
5 to dismiss.

6 Now that we have an order with an order lifting stay,
7 the normal rules apply and it's a ten-day period, and that
8 would be our view.

9 MR. WERKHEISER: Your Honor, may I --

10 THE COURT: Yes, you may.

11 MR. WERKHEISER: May I respond briefly?

12 THE COURT: You may respond before I comment.

13 MR. WERKHEISER: Thank you, Your Honor. Just two
14 brief points: Of course, 4001(a)(3) is discretionary, and it
15 says the default rules that the ten days would -- would apply
16 in the absence of the Court ordering otherwise. So, Your Honor
17 is certainly free to order otherwise, if you so chose to.

18 But in this circumstance, it would certainly not make
19 sense to give them the benefit of the additional ten days
20 because they have put before the Court a motion for a stay
21 pending appeal, which we discussed back on March 25th, the
22 parties have briefed it and submitted it for a decision.

23 We understand if Your Honor has not acted on the
24 request for a stay pending appeal at this time, but the issue's
25 been fully joined at this point, Your Honor, and -- and we have

1 consented to a stay well beyond what is required under -- under
2 the Rules. And, therefore, we'd ask that we be permitted to go
3 forward on Tuesday. Thank you.

4 MR. DEMMY: May I just make one point, Your Honor?

5 THE COURT: Certainly, Mr. Demmy.

6 MR. DEMMY: I think the -- the -- I -- in sitting
7 here and listening, I adopt Mr. Eisenberg's comments. I think
8 the key is not that we've already sought a stay. I think we
9 did so to protect our rights going forward in light of the
10 schedule and we shouldn't be penalized for doing that.

11 I do agree with Mr. Werkheiser that it's -- this is a
12 discretionary issue for the Court, and the Court, upon request,
13 can -- I think can waive the stay, and that you often see that
14 in proposed orders in connection with matters such as this.
15 You know, having -- having said that, as I said, I think the
16 key question is is the order that Your Honor entered on April
17 16th, does that trig the ten-day stay under the Rule? And I
18 think -- because it finally concludes the matter that it would
19 trigger that ten-day stay regardless of what had occurred
20 previously in connection with our motion to preserve our rights
21 as we move forward through the process.

22 THE COURT: Well, of course, in my -- in my earlier
23 decision, the original decision, I lifted the stay. And the
24 only issue that remained was the forum, in what forum. And I
25 recognize that BEPCO has waited a very, very long time to be

1 able to proceed with the -- to litigation. But I do think -- I
2 do think that under these circumstances, and the difficulty of
3 this case, and all of the procedural confusion and machinations
4 that are occurring, I think I ought to continue the stay in
5 effect for the ten days just to give the parties an
6 opportunity, which you really haven't had to make a
7 determination as to what, if anything, you're going to do on
8 appeal. Whether you're going to seek an appeal. And I'm not
9 ruling on whether that appeal would be interlocutory or not,
10 and, you know, what legal impact it might have. But I just
11 think that we ought to continue the stay for the ten days.

12 MR. DEMMY: Yeah, I understand Your Honor is
13 declining to exercise your discretion --

14 THE COURT: That's right.

15 MR. DEMMY: -- to revoke the stay under the Rule, and
16 all other rights are reserved.

17 THE COURT: Correct.

18 MR. DEMMY: -- in connection with any appeal, if
19 taken, or any other request. So, I understand the Court's
20 ruling in that regard.

21 (Attorneys conferring off-the record)

22 THE COURT: No, no, come, Mr. Werkheiser.

23 MR. WERKHEISER: Clarification. Because I -- I --
24 Your Honor, I just wanted to understand where you are with
25 respect to -- there has been a motion for a stay pending appeal

1 submitted with respect to that, not squarely addressed in Your
2 Honor's decision, I don't believe. So, I'm a little concerned
3 that we're going to wait ten days, get confronted for a new
4 motion for a stay pending and then we will be, you know, some
5 additional period of time out from there from that. So, I just
6 want to be clear that there's not going to be a further motion
7 in this Court for a stay pending appeal, given that there's one
8 already filed.

9 MR. DEMMY: Your Honor, I think that's -- I think
10 that's fair. I'm not trying to delay BEPCO, I do want to
11 preserve our procedural rights.

12 THE COURT: You have the -- you have the automatic
13 tend days.

14 MR. DEMMY: Right.

15 THE COURT: And the only question is whether that
16 remains in effect or whether I'm withdrawing it.

17 MR. DEMMY: That's right.

18 THE COURT: And that was your point.

19 MR. DEMMY: That's right.

20 THE COURT: Expressed better than I had. And that is
21 the case.

22 MR. DEMMY: And -- and in the event we were going to
23 decide to appeal and seek a stay pending appeal, clearly we
24 would -- we would ask the Court to then -- I think it's our --
25 we'd need the Court to rule one way or the other, whether on

1 the pending motion or on a new motion, you know, it -- in the
2 normal course of events, if we hadn't had motions for
3 reconsideration, we would have probably asked for the Court to
4 do so within the ten-day period.

5 THE COURT: Right.

6 MR. DEMMY: I think we can -- we can agree to do the
7 same here, we'll ask the Court to rule. Without filing --
8 without -- and I guess what I'm saying is without filing a
9 motion and putting it on for June 7th and getting an automatic
10 -- I'm not -- that's not what I'm looking to do here.

11 MR. WERKHEISER: Your Honor, I think I'm okay with --

12 THE COURT: I understand.

13 MR. WERKHEISER: -- what Mr. Demmy has said, but I'd
14 just like to confirm for my understanding.

15 THE COURT: I'm just trying to think of what the
16 effect is. Here's what we're going to do. It's such a
17 procedural little nicety here given the reconsideration. And --
18 in other words, if you file your appeal, Mr. Demmy, you may
19 then come in and move for a stay pending appeal?

20 MR. DEMMY: Let me -- let me -- maybe I can shed some
21 further light on this.

22 THE COURT: And if you do that --

23 MR. DEMMY: I think -- my understanding of the
24 procedure -- and I might be arguing sort of contrary to what
25 you'd think I might say, if -- if we file a notice of appeal, I

1 think we've divested the Court perhaps of jurisdiction.

2 THE COURT: Correct.

3 MR. DEMMY: At least based on the decisions I'm aware
4 of in this District and in this Circuit, there might be some
5 contrary opinion or some contrary authority elsewhere, but I
6 think in this Court, I'm fairly confident that if we were to
7 file that notice of appeal, it would divest the Court of
8 jurisdiction regarding our stay request, and we'd have to go to
9 the District Court. And then we might have a problem
10 explaining to the District Court why we didn't get the
11 Bankruptcy Court to rule first.

12 So, I think we're -- we're going to have to do
13 something within that ten-day period regardless of filing a new
14 motion or proceeding on our already filed motion. I think
15 we're going to need to -- if we decide that we would like to
16 appeal and have a stay pending appeal, we're going to have to
17 have this Court to decide within the ten days, because that's
18 our time period for filing a notice of appeal, after which I
19 don't think this Court could rule anymore.

20 THE COURT: It's always been my understanding -- and
21 I didn't come prepared -- that you have to file your appeal
22 first. I had that issue once in a case with -- it goes back a
23 long time, with Judge Balick. And she told me, no, Mr. Gross,
24 you file your --

25 MR. DEMMY: Actually, Your Honor --

1 THE COURT: -- appeal and then you ask for a stay.

2 MR. DEMMY: I actually had the opposite experience
3 with her where we did file the notice, and then she said I
4 don't have jurisdiction now, it's on appeal.

5 THE COURT: And when I -- and when I went before
6 Judge Balick in that case, other people in the courtroom said
7 to me, you know, she always did just the opposite.

8 (Laughter)

9 THE COURT: So, here's what we're going to do.

10 MR. WERKHEISER: Uh --

11 THE COURT: Go ahead, Mr. Werkheiser.

12 MR. WERKHEISER: Oh, Your Honor, I was going to just
13 actually second Mr. Demmy's understanding of the rule. I think
14 that once the notice is filed, that may divest the Court of
15 jurisdiction.

16 But -- but I did want to be clear, because there is a
17 pending motion already.

18 THE COURT: Right.

19 MR. WERKHEISER: And certainly if Your Honor decides
20 that within the ten days and were to grant the stay, that would
21 be one situation. I just want to be clear that --

22 THE COURT: That --

23 MR. WERKHEISER: -- you know, if Your Honor doesn't
24 act on it, then whatever stay there is goes away, without
25 prejudice to Mr. Demmy and his client seeking a stay in the

1 District Court upon the filing of their appeal is my
2 understanding of the way the Rule would operate in this
3 situation. I don't think the mere filing of the motion would
4 give them a stay beyond the ten days, nor do I think that they
5 should have the opportunity to file a new motion in this Court
6 since they already have one on file, Your Honor.

7 THE COURT: Okay.

8 MR. EISENBERG: And, Your Honor, this is Philip
9 Eisenberg. I think actually what Mr. Demmy was asking was that
10 everybody agreed that we wouldn't have to file a new motion if
11 we were going to seek a stay because it would sort of be
12 redundant pleadings. And so I -- I kind of echo what Mr.
13 Werkheiser has said. And our understanding of the way it works
14 is you file your notice of appeal, but the stay issue still
15 needs to at least be raised as an initial matter in the
16 Bankruptcy Court. And either it gets rule on or it doesn't get
17 ruled on, and the stay expires on its own force, and then you
18 seek relief from -- in the District Court. And so I think -- I
19 think we all are in agreement on what the process and procedure
20 is.

21 MR. DEMMY: I guess what I don't want to have happen
22 is if -- if we file our notice of appeal and this Court hasn't
23 ruled, that we then have a problem with the District Court
24 because we haven't received a decision from this Court. And I
25 think the -- the Appellate Rule -- the Bankruptcy Appellate --

1 I really don't want to make this difficult. I really want to
2 get to the end, but without having to go in front of Judge
3 Sleet or whomever and him say, well, why didn't you get an
4 order from the Bankruptcy Court, and why should I give you one
5 when you didn't follow the rule.

6 THE COURT: Right.

7 MR. DEMMY: That's my issue.

8 MR. WERKHEISER: And, Your Honor, I --

9 THE COURT: You see if --

10 MR. WERKHEISER: I would never purport to speak for
11 our District Court judges, but as I read Rule 8005, the only
12 thing it requires of them, in order to be able to seek the stay
13 at a District Court, is to have raised it before the Bankruptcy
14 Judge or presented it to the Bankruptcy Judge in the first
15 instance, is the actual language that it says. So, I think as
16 long as they presented it here, certainly I wouldn't be
17 inclined to argue in the District Court that they've waived the
18 right to seek the stay there, reserving all of our rights on
19 the merits, of course.

20 THE COURT: And you see if I issue a decision on a
21 motion to stay an appeal that hasn't been filed, then, in
22 effect, I'm rendering an advisory opinion.

23 MR. DEMMY: And I hear that, and maybe this is the
24 solution, Your Honor. Perhaps -- I think the -- you, your
25 Court, this Court, can, in the first instance, determine its

1 own jurisdiction.

2 THE COURT: Correct.

3 MR. DEMMY: So, if -- if you don't believe you've
4 been divested of jurisdiction by the filing of a notice of
5 appeal, if in the event we were to decide to appeal and we file
6 our notice of appeal putting the stay issue clearly at issue --
7 because I don't want the Court to do work that it doesn't have
8 to do also, then at least you could decide whether we get it or
9 we don't get it on the merits, and not -- and I would hope that
10 BEPCO wouldn't raise the jurisdictional issue at that point,
11 but the Court could decide it without -- deciding it on the
12 basis that you did not have jurisdiction to do so.

13 THE COURT: Right. I've got a motion to stay pending
14 appeal pending before me. I don't need a new one. I don't
15 need a new one. And I'm going to go back and do just a little
16 bit of research to see whether -- and I can't imagine I'm
17 supposed to rule on that motion unless an appeal was taken.

18 MR. WERKHEISER: Your Honor --

19 THE COURT: Because you've got your automatic ten-day
20 stay, that's why that's -- that's why that's in place.

21 MR. WERKHEISER: Your Honor, my understanding of the
22 functioning of the Rule might be slightly different, which is I
23 think once the appeal is filed, it does divest the Court of
24 jurisdiction, and then the stay would need to be presented to
25 the District Court.

1 THE COURT: Okay.

2 MR. WERKHEISER: But as I said, in terms of
3 preserving their right to present it in the District Court, I
4 think they've done already by seeking the stay here. And
5 whether Your Honor actually acts on that does not affect their
6 rights going forward, nor does the fact that you haven't acted
7 on it de facto continue the stay going forward --

8 THE COURT: Well, then --

9 MR. WERKHEISER: -- is my understanding.

10 THE COURT: Then what I'm going to do is after the
11 hearing, I'm going to go back and make a decision and issue an
12 order on the motion the stay pending appeal.

13 MR. WERKHEISER: Thank you, Your Honor.

14 THE COURT: I think that's what the parties need, and
15 that's what I'll do. So, we'll cover that at least.

16 MR. DEMMY: I appreciate that, Your Honor. But my
17 understanding is that the Court's decision not to waive or
18 otherwise dispense with the automatic ten-day stay will remain
19 in place.

20 THE COURT: That's right.

21 MR. DEMMY: Thank you, Your Honor.

22 THE COURT: Correct. And I'll make that clear in the
23 order, too.

24 So, now we've got the scheduling of your motion to
25 dismiss.

1 MR. DEMMY: Well, I'm going to go back to the
2 beginning now.

3 THE COURT: Okay.

4 MR. DEMMY: Is the Court referring to the motion to
5 dismiss filed on the alter ego proceeding? Or the motion that
6 we filed, the debtors have filed, regarding the Bass claim?
7 Those are two matters that are still technically open.

8 THE COURT: Those are still open.

9 MR. DEMMY: Yes.

10 THE COURT: And what is your suggestion on the two?

11 MR. DEMMY: On the former, Your Honor, I don't know
12 that we need to specifically schedule that at this point in
13 time. Again, I'll defer to Mr. Eisenberg on that. I think
14 what we ought to do is generally converse with BEPCO with
15 regard to a schedule for that adversary proceeding generally.
16 It seems to me that a motion to dismiss BEPCO's motion for stay
17 relief -- I don't want to say it's moot, I don't want to
18 concede that point, and I'm not going to do that. But I just
19 don't think it's at forefront of that litigation under the
20 circumstances we're at standing here today.

21 As to the latter matter, Your Honor, it's the
22 debtors' view that we should -- the Court should allow us to
23 proceed with the motion for summary judgment on the claim, it
24 raises bankruptcy and Federal issues, and it would have the
25 possibility of greatly streamlining whatever litigation is

1 going on in Louisiana.

2 THE COURT: Yes.

3 MR. DEMMY: If we could -- if we could make that a
4 coverage case, as opposed to a claim litigation case, I think
5 that would greatly benefit the parties and the Court. Both
6 courts.

7 So, just to sum up on that point, I think what we
8 would need there is the Court to set a hearing date, and
9 possibly in the context of -- I don't think we have anymore
10 omnibus dates with the Court. The Court could set omnibus
11 dates, we could select an appropriate date for an argument on
12 that motion and work backward from there in terms of completing
13 the briefing on the motion for summary judgment with regard to
14 the Bass claims.

15 THE COURT: Okay. Thank you. Mr. Werkheiser?

16 MR. WERKHEISER: Your Honor, and I apologize because
17 I think there's going to be an edge in my voice here. But I
18 think the phrase that's been used in connection with
19 reconsideration and re-argument motions is the never ending
20 polemic. And these are the very same arguments presented to
21 Your Honor on the venue issue, and in connection with
22 reconsideration, which is why they thought this was a better
23 forum and that should happen here. Your Honor has ruled now.
24 And, Your Honor, what makes sense under the circumstances is to
25 go let that litigation happen and see what happens. And then

1 if there are issues to be dealt with before this Court after
2 that litigation has reached an outcome in one manner or
3 another, we can come back and deal with those. But -- but this
4 is simply another effort to force us to litigate on multiple
5 fronts when Your Honor has already ruled that this matter ought
6 to be decided in Louisiana, consistent with BEPCO's request.

7 So, we'd submit that the motion for summary judgment,
8 which 80 percent of which or more is -- is attacking us on the
9 same issues that will be litigated in Louisiana, and that
10 overlap with the coverage issues, ought not to go forward at
11 this time until there's been some decision or outcome or
12 definitive ruling in the Louisiana litigation that would make
13 it appropriate to -- to go back and consider those issues.

14 And I think that was what Your Honor ruled in the
15 final paragraph of your opinion. Your Honor stated, "The
16 bottom line is this, BEPCO's lawsuit should proceed in
17 Louisiana against Santa Fe." And I think Your Honor meant the
18 insureds, as well, "If Santa Fe prevails, the parties can
19 return to this Court for the resolution of issues such as
20 punitive damages and mere speculation at this point, and
21 whether Memorial is liable under the demand note."

22 I think you'd put in that category if there are any
23 discrete bankruptcy issues, we can come back to the Court and
24 deal with those at that time.

25 Thank you, Your Honor.

1 THE COURT: That was my thinking.

2 MR. DEMMY: And, Your Honor, I don't want to
3 foreclose Mr. Eisenberg, I know we're popping up and down, and
4 if he wants to jump in, he certainly can. I don't -- I respect
5 all Court's rulings and generally don't ask a court to
6 reconsider and don't try to reargue. And, frankly, Your Honor,
7 I just don't think we've ever heard definitively from the Court,
8 and if I'm a little dense on the subject, I apologize. But I
9 don't think we've heard definitively about the motion for
10 summary judgment. It's been deferred by order several times.
11 And even in the passage that Mr. Werkheiser read, I don't know
12 that the court definitely said something with regard to the
13 motion for summary judgment on the claim, and then we had the
14 Court's order which -- which sort of, in my view, at least,
15 merged the motion to dismiss in the alter ego with the motion
16 for summary judgment on the claim. And we had the Court, at
17 the last hearing, indicate, well, let's deal with the forum
18 issue, and I know you want to move forward on other things, the
19 plan and the motion for summary judgment on the claim. I'm not
20 saying the Court ruled in any fashion. I'm saying -- I'm
21 asking and presenting the issue because I didn't -- I don't
22 think the Court had previously definitively ruled. If the
23 Court says now I want it all to go in Louisiana, I accept what
24 the Court says. I don't think the Court has said that
25 definitively yet.

1 THE COURT: Okay.

2 MR. DEMMY: And we -- we have a view that -- and
3 we've maintained it throughout, but have not tried to reargue
4 things that the Court has already decided. But we have a view
5 that we believe that it can be dealt with efficiently by this
6 Court in this circumstance. And that -- that's my explanation
7 for why I keep coming back to the motion for summary judgment.

8 THE COURT: Well, let's talk -- let me -- before I
9 even hear from Mr. Eisenberg --

10 MR. EISENBERG: Yes, Your Honor.

11 THE COURT: Let me hear from either Mr. Werkheiser
12 or Mr. Carver or Ms. Moses about the overlap that Mr.
13 Werkheiser mentioned, because I am concerned about overlap.
14 And I do want BEPCO to be able to proceed with its litigation
15 effectively, and that is a concern of the Court, too. So,
16 let's talk about the overlap of issues and what issue this
17 Court out to be deciding and what issues the Court in Louisiana
18 ought to be deciding, and in what order it is most appropriate
19 to do that.

20 I don't want us to have, you know, two litigations
21 going on at the same time with the potential for inconsistency,
22 for example.

23 MR. WERKHEISER: Yes, Your Honor. Your Honor, if I
24 may, I'm going to try to volunteer Mr. Carver to speak to that
25 issue because I think he can -- he can talk more knowledgeably

1 about the issues that are involved in the merits of BEPCO's
2 claim against Santa Fe, and -- and issues related to the
3 settlement which, I think, might be dealt with by a Louisiana
4 court.

5 THE COURT: That would be fine. Mr. -- Mr. Carver,
6 are you in a position to respond?

7 MR. CARVER: Yes, Your Honor. Your Honor, I --
8 Hampton Carver for BEPCO. I don't have their summary judgment
9 motion before me, but basically that summary judgment motion
10 raises the very issues which will be a defense to our
11 litigation in Louisiana, including a host of issues about
12 whether we are stopped by matters of collateral estoppel
13 because of supposedly inconsistent positions we took when the
14 Tebow sued us, with respect to whether we are entitled under
15 Louisiana law to recover against Santa Fe, with respect to
16 whether we will be able to show under Louisiana law that Santa
17 Fe would have been liable to the Tebows. And, hence, since we
18 are subject -- we are subrogated to the Tebow's rights, Santa
19 Fe would be liable to us. Whether, under Louisiana law,
20 respecting solidary obligations, Santa Fe would be solidarily
21 liable with us and, therefore, we would have rights against
22 them. There's just a host of issues which we will expect Santa
23 Fe and its insurers to raise in the Louisiana court.

24 And you have referred these matters to the Louisiana
25 court. And, with all due respect, Your Honor, BEPCO doesn't

1 think you should be deciding them in the first instance.

2 THE COURT: And I don't either.

3 MR. CARVER: And that being the case, I think what
4 Mr. Werkheiser suggested, which is that we go forward in
5 Louisiana, we see whether we can recover against Santa Fe. If
6 the Court rules in Santa Fe's favor, that will suit all issues
7 before you. And one of the issues that Santa Fe has raised, of
8 course, is proscription.

9 In the event that the more likely result, however,
10 that I think the Court and the debtors and Santa Fe and we all
11 agree that there's a strong likelihood that there's insurance
12 coverage, what we hope will happen, frankly, Your Honor, is
13 that we will reach some settlement with the insurers, which
14 will moot this issue altogether. And would also moot the
15 issues respecting our alter ego claims against GlobalSantaFe,
16 which, for this reason, we would urge Your Honor to put off
17 until after the Louisiana suit is resolved or settled.

18 Now I know I'm jumping to another issue, but that
19 issue is related to this issue. In order to -- well, as I
20 said, in order for us to have a valid alter ego claim against
21 GlobalSantaFe, or the other SFI entities, we have to have a
22 valid claim against Santa Fe Minerals, Inc. in the first place,
23 and that will be decided by the Louisiana Court.

24 THE COURT: That -- you see, that was what I was
25 thinking originally.

1 MR. CARVER: And if the issues relating to the alter
2 ego claims are not put off, we're going to have two parallel
3 proceedings going at the same time. And even if you decide
4 that the claim against the alter ego claims are property of the
5 estate and that BEPCO doesn't individually have standing to
6 pursue them, then you would have to decide, Your Honor, whether
7 an independent third party should be appointed to pursue those
8 claims. And then very extensive discovery would have to go
9 forward with respect to those claims, all of which can be
10 avoided, we hope, if the Louisiana suit goes forward and either
11 -- and we don't hope this -- either Santa Fe wins or we make a
12 settlement with the insurers, which is, frankly, what we hope
13 to do.

14 MR. EISENBERG: Your Honor, Philip Eisenberg.

15 THE COURT: Yes, Mr. Eisenberg.

16 MR. EISENBERG: I appreciate being heard on this,
17 Your Honor. On behalf of the GlobalSantaFe entities. I think
18 what my focus is -- and Your Honor's ruling, Your Honor
19 indicated that the plan would have to be modified and move
20 forward.

21 THE COURT: Correct.

22 MR. EISENBERG: And the way I'm at least looking at
23 this is how do we now, incorporating the fact that the stays
24 are lifted, there's ongoing litigation in Louisiana, we
25 incorporate that aspect into a plan and we move forward with

1 the plan process.

2 And I can say my client, and I believe the debtors
3 have been kind of held back in pursuing that, and we're very --
4 quite interested in moving forward with the plan process. And
5 we believe that that is absolutely a concurrent step that will
6 take place while the -- the -- any in whatever litigation and
7 shape and form BEPCO wants to take in Louisiana will go
8 forward.

9 At the same time, there may be, because of the plan,
10 the bankruptcy issues that get raised that might touch on
11 things that are pending between BEPCO and Santa Fe, such as how
12 do you classify the claims, how do you address the claims in a
13 confirmation proceeding, and things of that nature. And those
14 are just normal things the Bankruptcy Courts do all the time in
15 the plan process when a stay has been lifted and there's
16 litigation. And I believe what Mr. Demmy is talking about with
17 the summary judgment on the claims objection on the claim is to
18 define those things that will help us to move forward in the
19 plan process, i.e., what is the nature of the claim, and things
20 of that nature under Section 502.

21 And so those -- that's the process that we envision
22 moving forward. And I think quite right, BEPCO can, in any
23 shape or form as they choose, move forward with seeking alter
24 ego relief and discovery or not. And to the extent that they
25 believe that moving forward in the litigation in Louisiana is

1 the proper approach first, before they start pursuing that,
2 then that's their choice.

3 On the other hand, the debtor and my clients, the
4 GlobalSantaFe entities, have the right to move forward with the
5 plan process and also to the extent that we want to move
6 forward with certain elements of the plan that are there now,
7 modify further elements, I think we have a right to do that, as
8 well. And so what I'm mindful of is -- in hearing the
9 dialogue, is that we have the right to fully and completely
10 move forward with the plan process while they're pursuing their
11 rights in the State Court. Because we have, likewise, been
12 delayed in moving forward in the plan process. And so that --
13 that's -- that's my concern, and that's why I think as part of
14 the scheduling process, we should have at least certain aspects
15 of the summary judgment motion move forward and to help define
16 and organize and expedite the plan process. That, I believe,
17 is one of the reasons why the summary judgment was filed in the
18 first place. And we intend to join in, not on proscription and
19 things of that, but issues that we believe will advance the
20 plan process. And that's really our goal here, it's to get a
21 plan in place and to get a plan confirmed, and to move this
22 through the bankruptcy process so that we're out of the
23 bankruptcy process.

24 MR. WERKHEISER: Your Honor, if I may, for the
25 record, Gregory Werkheiser.

1 THE COURT: Of course.

2 MR. WERKHEISER Your Honor, I think we're conflating
3 a number of issues. And the first is what Your Honor has
4 ruled, which is we ought to go forward in Louisiana.

5 The -- the second issue is, well, you know, what
6 effect, if any, does our going forward have in Louisiana on the
7 estate. And, Your Honor, for all practical purposes, we're
8 drilling into a dry whole as against the estate. For all
9 practical purposes, any recovery is coming from the insurance
10 or is coming from the GlobalSantaFe entities if we get to a
11 point where Your Honor allows us to proceed against them or a
12 Trustee or third party fiduciary were to proceed against them.
13 So, this is not a case where there's a recovery from estate
14 assets that is being dissipated by us going forward --

15 THE COURT: And it's not a case where we have an
16 operating entity.

17 MR. WERKHEISER: Correct, Your Honor. Your Honor, as
18 to the plan issues that have been raised, I think the first
19 step there is for them to file their new plan and let's see.
20 Because I -- I -- if I -- I have a hard time fathoming how
21 BEPCO's claim, which is most assuredly a pre-petition claim, is
22 a confirmation issue for that plan. It is -- if this plan is
23 anything other than a pot plan that says we're going to fund X
24 dollars, and -- and creditors in order with the priorities of
25 the Bankruptcy Code are going to take whatever distributions

1 they are rateably entitled to, it's not before Your Honor but I
2 don't know how that -- it can be confirmed in a case like this.

3 So, I don't think the summary judgment motion is
4 anything that needs to go forward right now. Your Honor, let's
5 file the plan and maybe we reevaluate the issue at that time.

6 Your Honor, I do want to mention a couple of issues,
7 and I think Mr. Carver hinted at them. Which is that if a plan
8 does go forward, I expect it will largely be premised, again,
9 on an attempt to compromise the so-called alter ego claims that
10 assert ownership over them between the debtor and its parent,
11 GlobalSantaFe.

12 And that does raise issues as to the interested
13 nature of the transaction, whether, in fact, there ought to be
14 a third party fiduciary, such as a Trustee or an examiner in
15 that process. We are, at this stage of the case, well beyond
16 the exclusive periods for the debtor, even by the outside dates
17 that Congress would permit.

18 So, you know, that -- it's not before Your Honor but
19 in terms of mapping the path forward, I think that is something
20 that is probably -- would have to be addressed if another plan
21 is put back on the table. Thank you.

22 THE COURT: Well, here's what I'm going to say before
23 we all become even more sort of argumentative on the issues.
24 My whole -- one of the problems that's happened in this case is
25 that there have been a lot of moving parts. And it seemed as

1 if there would be some progress or some direction to the case
2 and once side or the other would then interject sort of a -- an
3 alternate course. And my thought in the -- in the decision on
4 reconsideration was that the case in Louisiana should proceed
5 because until we have a result in Louisiana, all of these other
6 issues are going to be very, very difficult to resolve, and
7 they may never have to be resolved. And there could be
8 inconsistencies.

9 So, I agree with BEPCO here. That I would like the
10 litigation in Louisiana to proceed, at least for a reasonable
11 period of time to give them an opportunity to commence the
12 case, to take some discovery, to engage in settlement
13 discussions before some of the bankruptcy-related issues become
14 active again. And -- so, to that end, I am not going to
15 schedule anything further on either the motion for summary
16 judgment in the adversary case, or the motion to dismiss in the
17 -- in the main cases. And allow BEPCO to get its feet on the
18 ground in the litigation on Louisiana, which will have a
19 tremendous impact upon whatever the debtors do in this court.
20 And I just think that makes all the sense in the world, and it
21 will clarify things in a way that really hasn't been the case
22 heretofore. And so I -- as part of this order that I'm going
23 to issue addressing the stay relief --

24 MR. WERKHEISER: Yes, Your Honor.

25 THE COURT: -- I will also address the scheduling,

1 which will be that the -- the pending motions from the GSF
2 entities and the debtors are held in abeyance.

3 Now, I am not going to be in a position to know when
4 something happens necessarily in the Louisiana litigation, but
5 I'm sure that one party or the other, if some action is needed
6 on the part of the Court, will bring it to my attention.

7 MR. DEMMY: Your Honor, on -- on the point of
8 scheduling matters and whether matters should be held in
9 abeyance, Your Honor did not touch upon -- and clearly we
10 believe that an amended plan is required based on the Court's
11 rulings on various issues. And as Mr. Eisenberg stated, it was
12 our intent to proceed with an amended plan, and I didn't hear
13 the Court say anything about that. I think that we should be
14 allowed to proceed with that process. The Court, in the
15 context of confirmation, can always make whatever rulings and
16 scheduling decision it would like to make. But I think we
17 should be allowed to proceed so the Court -- I think that will
18 further clarify matters.

19 THE COURT: I think it may, too. And I certainly am
20 not going to enjoin, if you will, the debtors from filing an
21 amended plan. And I think we'll see -- we'll see what that
22 plan says obviously, and BEPCO, I'm sure, will have some views
23 on the plan.

24 MR. DEMMY: Yes, sir.

25 THE COURT: But at least we won't be involved in

1 rather heavy litigation, even if it is just motion practice,
2 but it's still litigation while the Louisiana case is allowed
3 to proceed.

4 MR. WERKHEISER: Understood, Your Honor. Thank you.

5 THE COURT: I see Mr. Buchbinder waiting to rise.
6 Don't complicate it further, Mr. Buchbinder, bring clarity.

7 MR. BUCHBINDER: Good morning, Your Honor.

8 THE COURT: Good morning.

9 MR. BUCHBINDER: David Buchbinder on behalf of the
10 United States Trustee.

11 I would just like to observe this morning that our
12 purpose here ultimately is to have a confirmed plan or other
13 disposition of the case, and from the perspective of my client,
14 moving this case forward through the plan process seems to be
15 most appropriate, and I would also observe from my own
16 experiences that -- and of all the people in this room that
17 this is not the first Chapter 11 case in which we have what,
18 for all practical purposes, is a two-party dispute.

19 THE COURT: Right.

20 MR. BUCHBINDER: But in which the Court has found
21 that there are other interests that are ultimately implicated.
22 And it is certainly not the first case in which a debtor has
23 faced the prospect of litigation, which is germane to the
24 outcome of the case, and these things can certainly be
25 accounted for in a properly drafted plan. And I am all in

1 favor of the plan process moving forward.

2 THE COURT: Thank you, Mr. Buchbinder. And I agree
3 with that and I think I will make that clearer in the order
4 that I issue that although the pending motions are not going to
5 proceed, the plan process may. The filing of an amended plan.

6 And then we'll have to see how we sort that out.

7 MR. WERKHEISER: We'll see where we are at that time.

8 THE COURT: We'll see where we are. But I don't
9 think any of us should be speculating today.

10 MR. DEMMY: The only other -- I want to move on. So,
11 if you want to go back.

12 THE COURT: On that issue, Mr. Werkheiser?

13 MR. WERKHEISER: Your Honor, it would just -- it
14 occurred to me that if, in fact, a plan is filed at some stage
15 further down the road by the debtors or GlobalSantaFe or anyone
16 else now that exclusivity is dissipated, you know, it may be
17 appropriate at that point before other litigation ramps up then
18 to have some sort of status conference with the Court.

19 THE COURT: Oh, I would agree. I would agree.

20 MR. WERKHEISER: All right. Thank you, Your Honor.

21 MR. DEMMY: Always happy to get together and talk.

22 THE COURT: Always happy.

23 MR. DEMMY: The only other thing that I would like to
24 raise at this point is omnibus hearing dates, should we contact
25 chambers to schedule them? Just maybe as holding dates. We

1 might not use them under the circumstances, but I think we
2 ought to --

3 THE COURT: I think you should, too.

4 MR. DEMMY: -- at least get some scheduled.

5 THE COURT: Yes, I think that's a good idea, and I'm
6 -- I won't schedule them because I always foul up the
7 scheduling. But if you will just call Ms. Scaruzzi, she will
8 be happy to give you dates.

9 MR. DEMMY: We will do that. And that -- that's all
10 that the debtors have, I believe. I'll invite BEPCO and the
11 GSF folks to chime in, if they have anything.

12 THE COURT: Anything further, Mr. Werkheiser?

13 MR. WERKHEISER: Your Honor, I don't think we have
14 anything further today.

15 THE COURT: All right. Counsel, I thank you. Thank
16 you for your patience with the Court at time in this case. And
17 sometimes -- I was just saying at a conference where I spoke
18 yesterday, you know, that coming in -- being a judge is kind of
19 like you'd walk into the court and they turn on the lights, and
20 then they turn them back off again, and sometimes we only see
21 things in intervals, and don't see the bigger picture and don't
22 really know sometimes what some of the motivations are or the
23 strategies, and that -- that can make it difficult, and I think
24 that's been the case here, was not having an overall better
25 understanding early, early on in the case where things might

1 head. But we'll get them back on track now, and I thank
2 everyone and --

3 MR. DEMMY: No apologies need, Your Honor.

4 THE COURT: We will stand in recess and get some
5 omnibus dates and I will issue that order promptly on the stay
6 issue, as well as the scheduling issue.

7 MR. DEMMY: Thank you, Your Honor.

8 MR. WERKHEISER: Thank you, Your Honor.

9 (Proceedings Adjourn at 10:57 A.M.)

10

11

12 C E R T I F I C A T I O N

13

14 I, Karen Hartmann, certify that the foregoing is a
15 correct transcript to the best of my ability, from the
16 electronic sound recording of the proceedings in the above-
17 entitled matter.

18

19 /s/ Karen Hartmann Date: April 24, 2008

20 TRANSCRIPTS PLUS

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CERTIFICATE OF SERVICE

I, Heidi E. Sasso, certify that I am not less than 18 years of age, and that service of the foregoing document was made on June 13, 2008 upon:

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Under penalty of perjury, I declare that the foregoing is true and correct.

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/s/ Heidi E. Sasso